

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SIERRA
PACIFIC POWER COMPANY (U 903 E) for an
Order Authorizing the Rebuild of the 60kV
Hobart Mills Substation in Nevada County,
California.

Application 03-12-023
(Filed December 19, 2003)

OPINION GRANTING APPLICATION**Summary**

This decision grants the application of Sierra Pacific Power Company (Sierra Pacific) for a Permit to Construct (PTC) to modernize and increase the capacity of its Hobart Substation by rebuilding it on the same site. This proceeding is closed.

1. Procedural Background

Sierra Pacific filed this application for a PTC for the Hobart Substation Rebuild Project (Rebuild Project) on December 19, 2003. No protests were filed.

2. Proposed Project

The Hobart Substation is located on private property about five miles north of Truckee and two miles east of the Hobart Mills area. The Rebuild Project is intended to increase the capacity of the substation to serve an existing customer, to accommodate future load growth in the area, and to modernize the equipment at the substation. The existing substation has a total capacity of 666 kilovolt amperes (kVA). The Rebuild Project will install new equipment, reconfiguring the substation to provide standard three-phase service and

increasing its capacity to 5,000 kVA. The rebuilt substation will increase voltage on the existing distribution line from 12.5 kilovolts (kV) to 14.4 kV, but will not require any changes to the distribution line. One new pole will be installed to provide a connection from the existing transmission line to the rebuilt substation.

The current substation is about 30 feet by 30 feet in size. The rebuilt substation will be enlarged to approximately 60 feet by 75 feet, on another part of the same site. The equipment will be put on concrete footings and the entire substation area covered with gravel. Earthen clay berms will provide containment for oil-bearing equipment. After the new substation is built and operating, the old one will be dismantled and removed. Outside the fence enclosing the substation, the access road will be widened and covered with gravel to provide year-around access.

3. Environmental Review

a. California Environmental Quality Act

The Commission is the lead agency for the Rebuild Project, in accordance with the California Environmental Quality Act (CEQA), Pub. Res. Code section 21000 *et seq.* Sierra Pacific included a Proponent's Environmental Assessment as an exhibit to its application, as required by Rule 17.1 of the Commission's Rules of Practice and Procedure.¹ On July 6, 2004, this Commission released for public review a Draft Initial Study/Mitigated Negative Declaration (DIS/MND) for the Rebuild Project, in compliance with CEQA and Rule 17.1. The DIS/MND was filed with the State Clearinghouse on July 6, 2004

¹ Unless otherwise indicated, all subsequent citations to rules refer to the Rules of Practice and Procedure, which are codified on the CPUC website (www.cpuc.ca.gov) under Environmental Review.

and the 30-day review and comment period closed on August 4, 2004. (See CEQA Guidelines § 15105.) No comments were received.

Based on the DIS/MND, the Commission has prepared a Final Mitigated Negative Declaration (FMND).² The FMND concludes that the Rebuild Project will not have a significant adverse effect on the environment because mitigation measures incorporated by Sierra Pacific into the Rebuild Project and mitigation measures identified in the FMND to which Sierra Pacific has agreed will ensure that any potentially significant effects that have been identified will remain at less than significant levels.

b. Electric Magnetic Fields

The Rebuild Project incorporates no-cost and low-cost measures to reduce exposure to electric magnetic fields (EMF), as authorized by Decision (D.) 93-11-013. These include locating equipment as close to the center of the substation and as close to the existing transmission right-of-way as possible, and using metal clad switchgear to reduce phase spacing and produce lower magnetic fields.

4. Other Regulatory Requirements

a. Zoning

The substation is in an area designated by Nevada County as a Timberland Production Zone (TPZ), which does not permit construction of a substation. The Nevada County Board of Supervisors has voted to change the zoning of the substation area from TPZ to “Public.” This change must be approved by the state Board of Forestry and Fire Protection (Board of Forestry) prior to final

² The DIS/MND and FMND are hereby received into the record of this proceeding. They are available for inspection at the Commission’s website, www.cpuc.ca.gov, Environmental Review.

adoption by the Board of Supervisors. We therefore include as a condition of our order that Sierra Pacific may not undertake any work on the substation site for the Rebuild Project until the area including the substation has been finally rezoned to the zoning designation Public.

b. Other permits

In order to rebuild the substation, Sierra Pacific must obtain use, building, and grading permission from Nevada County. County approval has been provisionally granted, pending Board of Forestry approval of the rezoning. Sierra Pacific's Spill Prevention and Recovery Program has been approved by the Lahontan Regional Water Quality Control Board (Regional Water Board) pursuant to the Small Construction Waste Discharge Requirements permit program.

Categorization

This proceeding was preliminarily categorized as ratesetting on January 8, 2004. We also preliminarily determined that hearings were not necessary. The preliminary determinations are confirmed.

Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is waived.

Assignment of Proceeding

Susan P. Kennedy is the assigned commissioner and Anne E. Simon is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. This application is uncontested.

2. The Rebuild Project will increase capacity of the Hobart substation from 666 kVA to 5,000 kVA and modernize its equipment to allow three-phase service.
3. The Rebuild Project will serve Sierra Pacific's existing customers.
4. The FMND reflects the independent judgment of this Commission.
5. The FMND conforms to the requirements of CEQA.
6. The FMND identified no significant environmental effects of the Rebuild Project that could not be avoided or reduced to non-significant levels by implementation of the project as described, with mitigation measures agreed to by Sierra Pacific in the FMND.
7. The Commission has considered the FMND in deciding to approve the Rebuild Project.
8. Based on the mitigation measures included in the FMND, the Rebuild Project will not have a significant effect on the environment.
9. The Rebuild Project includes no-cost or low-cost measures to reduce exposure to EMF, as authorized by D.93-11-013.
10. In order for Sierra Pacific to construct the Rebuild Project, the area including the substation site must be rezoned from the designation "TPZ" to the designation "Public."
11. In order for Sierra Pacific to construct the Rebuild Project, it must obtain use, building and grading permission from Nevada County.
12. The Regional Water Board has approved the Spill Prevention and Recovery Program for the Rebuild Project.

Conclusions of Law

1. This application is uncontested and a public hearing is not necessary.
2. The FMND has been processed in compliance with the requirements of CEQA.

3. The FMND has been completed in compliance with the requirements of CEQA.

4. The DIS/MND and the FMND should be received into the record of this proceeding.

5. The rezoning of the substation site is necessary before the Rebuild Project can be constructed.

6. Local use and building permits are necessary before the Rebuild Project can be constructed.

7. Approval by the Regional Water Board of Sierra Pacific's Spill Prevention and Recovery Plan is necessary before the Rebuild Project can be constructed.

8. Sierra Pacific's application for a PTC for the Rebuild Project should be approved, subject to the mitigation measures set out in the FMND, zoning requirements, and Sierra Pacific obtaining all necessary state and local permits and permissions.

9. In order to allow construction to proceed expeditiously, this order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. The Draft Initial Study/Mitigated Negative Declaration for the Hobart Substation Rebuild Project (Rebuild Project) of Sierra Pacific Power Company (Sierra Pacific) is received into the record of this proceeding.

2. The Final Mitigated Negative Declaration (FMND) for the Rebuild Project is received into the record of this proceeding.

3. The FMND for the Rebuild Project is adopted pursuant to the requirements of the California Environmental Quality Act, Pub. Res. Code section 21000 *et seq.*

4. Sierra Pacific is granted a Permit to Construct the Rebuild Project, subject to the mitigation measures set out in the FMND, zoning requirements, and all necessary state and local permits and permissions.

5. Sierra Pacific may not undertake any work on the substation site for the Rebuild Project until all zoning requirements have been met, and all necessary state and local permits and permissions have been obtained.

6. Application 03-12-023 is closed.

This order is effective today.

Dated _____, at San Francisco, California.